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ALBANIAN BUDGET STRESSES ECONOMIC DEVELOPMENT

The following table shows how the Albanian national budget has increased since the financial year 1945-46 (in millions of lek):

	1945-46	1946-47	Apr-Dec 1947	1219	1949
Income	1,233	2,261	4,106	5,553	6,550
Expenditures			_		
Economy	13	415	180	2,020	2,202
Education, culture	91	124	217	358	492
Public health	83	232	150	464	643
Army	742	784	1,158	1,066	913
Administration	142	147	494	683	776

Listed expenditures total less than income in each case.

The following table gives the percentage of increase during the same years:

	1945-46	1946-47	Apr-Dec 1947	7948	1949
Income	100	183	341	450	531
Expenditures Economy	1	18.3	26.9	36 .3	33.6
Education, culture	7.3	5.4	5.2	6.4	7.5
Public health	6.7 60.1	10.2 34.6	3.6 27.8	8.3 19.1	9.8 13.9
Administration	11.5	6.5	12	12.2	11.8

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The following tax table shows how the call tax burden has been shifted from the working classes and the poor to the bourgeolsis and the rich since the war (income and taxes expressed in letter

Population Category	Year	Up to 20,000	<u>Vp to 51,000</u>	Up to 100,000	Up to 300,000
Peasants	1938 1948	2,000 600	5,000 4-400	10,000	30,000
Merchants	1938 1948	700 1.760	4,400 2,752 6,380	19,900 5,000	129,900 123,000
Landowners	1938 1948	1,720	328 5,440	25,080 2,696	159,080 21,391
Artisans	1938 1948	700 1,280	2,752 3,800	19,500 5,600 42,200	169,440 23,000 107,200

As a result of the improvement in agricultural production and incomes, the farm population provided 5.6 percent of the total national revenue for the 1957 budget year (April to December) and 12 percent for 1948, and according to the plan, will provide 13 secrent in 1955. Fitteen 1905 and 1946, the peasantry provided an average of 28.75 percent of all revenues in direct duties and tames. Of this sum, the tithe brought in 32.33 percent, import duties 23.22 percent, and various taxes 31.45 percent [these do not total 100 percent].

At the beginning of $1/\psi$) a proper system of taxation was developed on the basis of Soviet experience. It provided for proper payments for services performed by the state for the benefit of the individual, and replaced the old system of municipal and communal taxes, road taxes, etc., that had long burdened the working masses.

The reorganization of enterprises on a socialist basis, which took place in 1947, made it possible for the state to accumulate a surplus on the basis of scientific planning. In 1947 the state accumulated 477,675,643 lek, or 12.9 percent /sic/ of the total budget; in 1948 it accumulated 1,022,449,000 lek, or 19.3 percent /sic/; and in 1,49 it saved 1,735,313,000 lek, or 26.4 percent /sic/.

In July 1949 the first State Loan for the Development of the Albanian Economy and Culture was announced. The loan was more than successful; 305 million lek instead of the planned 250 million were subscribed. This load made possible the fulfillment of the Two-Year Plan, including the construction of the textile and sugar combines.

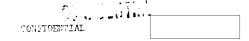
Prewar and postwar budget expenditures are contrasted in the following table (in thousands of lek):

	<u> 1936-35</u>	Fercent	<u> 1949</u>	Percent
Total Expenditures Royal roads, payments to the	447,120	3.00	6,550,000	100
royal family, and the palace Economy Education, culture Welfare, health	11,200 27,776 54,768 12,864	2.5 6.2 12.2 2.3	2,202,863 492,438 645,764	33.6 7.5 9.8
Army Administration and Ministry of	139,424	51.1	943,721	13.9
Interior	179,552	40.1	776,021	11.8

Listed expenditures total less than the respective totals given.

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Since the war all Albanian banks have been nationalized, and since 1946 the State Bank of Albania has served as the sole banking institution in Albania. Its loans for the development of agriculture and for the purchase of farm implements, draft animals, and all other agriculture in necessities have been distributed as follows (in percents of the town).

Sector	Dec 45	Dec 16	Dec 47	Dec 48	Sep 49
State	80.9	84.6	35.6	72.2	56.8
Cooperative Private	19.02	$\frac{14.2}{1.14}$	13.3 1	26.4 1.36	#2.2 1.01

On the basis of Soviet experience, a new credit system was adopted in 1948, and has been showing catisfactory results. Under this system, the State Bank helps state enterprises and cooperative organizations financially and administratively and also helps them fulfill their plans.

The State Bank established relations first with the USSR and the People's Democracies, and now has regular contacts with the banks of 45 different countries.

Savings deposits have increased 43 follows since the war (1945 = 100): 232 in 1946, 1,676 in 1947, 3,791 in 1948, and 3,893 in August 1949.

The ISIS (State Insurance Institute) now provides fire insurance, insurance against damage from natural disaster, travel accident insurance, and life insurance. The plan for 1949 calls for 10.6 percent more fire insurance and 93 percent more accident insurance than in 1948.

The Teknikum Financiar 11 Janar, a professional school for training fiscal personnel, has 215 students.

The Albanian budget for 1949 presupposes credits from the USSR, including machinery and capital equipment. Soviet aid and aid from the People's Democracies make up 36.9 percent of the Albanian budget.

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